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Waihee: \$10,000 Rewald Down Payment Returned

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The administrator of Ronald Rewald's bankrupt company testified yesterday that Rewald loaned Lt. Gov. John Waihee's law firm \$10,000 in January 1983. Waihee, however, said in an interview that the money was a down payment on a land deal and was later returned.

Thomas Hayes said the check was made out to Waihee but deposited in the law firm of Waihee, Manuia, Yap, Pablo & Hoe. Hayes said Waihee was "embarrassed" about the transaction after Rewald's company collapsed and paid the money back in November 1983.

Waihee said the \$10,000 wasn't a loan, but a deposit on some Big Island land Waihee owned that Rewald wanted to buy. He said he does not know why the check was marked as a loan.

Government financial witnesses have testified that Rewald labeled a number of checks "loans" in an apparent attempt to avoid taxes.

WAIHEE DID receive \$4,800 during the 1982 lieutenant governor campaign from Rewald and his companies.

Waihee said he was unaware of the large amount of political donations from Rewald until the collapse of Bishop, Baldwin, Rewald, Dillingham and Wong.

Waihee said his law firm was handling the sale of his house lot and 14 acres of cane land in Pepeekeo. Rewald approached the law firm saying he was interested in buying the land and later turned over the \$10,000 check.

The money was placed into a trust account at the law firm, but when it was apparent that the transaction wasn't going through, the money was sent back, Waihee said.

Waihee said he never met personally with Rewald on the land sale and that his law firm handled the dealings. The transaction took place shortly after Waihee left the law firm and was selling out his interests in the firm.

Waihee said Rewald knew who owned the land, but he did not know how Rewald found out it was for sale.

"WE HAD this piece of property, and my wife and I were thinking of buying a house here in Honolulu," Waihee said. "He (Rewald) wanted to buy, gave some fantastic promises about how he was going to buy it. At that time, I didn't know who he was other than he was a reputable guy with money."

Waihee met with Rewald on three occasions before and after the 1982 election because of his interest in international trade. Rewald at the time was preparing a report on flight capital from Hong Kong.

"When I went to his office one time, it looked like an impressive operation," Waihee said in an earlier interview about his relation to Rewald. "He talked about international trade like he knew what he was talking about."

Waihee today is on Maui on personal business and campaign work. He has been mentioned as a possible candidate for governor next year.

RICHARDSON invested some of his own money with Rewald but withdrew it after the CIA found out about the investment. Richardson also induced other CIA employees to invest with Rewald. They ended up losing their money. Richardson was fired from the agency after Bishop, Baldwin's collapse.

Both Richardson and Rardin will be "hostile witnesses" for the defense, meaning they are not cooperating in the defense case.

Government attorneys gave no reason why they called certain CIA employees but not Richardson and Rardin.

One of the first witnesses for the defense will be an official from the National Football League, who is expected to testify that Rewald had signed contracts with three teams. Rewald's claims that he played professional football have been questioned by the government.